



THE MAURITIUS COMMERCIAL BANK LIMITED
Abridged Unaudited Interim Financial Statements - 31st March 2017

Statement of financial position as at 31st March 2017

	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>30-Jun-16</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
ASSETS			
Cash and cash equivalents	36,519,709	34,070,282	31,975,711
Mandatory balances with Central Bank	15,067,723	13,396,743	13,688,608
Derivative financial instruments	214,573	314,100	175,771
Loans to and placements with banks	25,339,856	16,893,464	22,485,623
Loans and advances to customers	159,049,397	152,935,242	153,002,181
Investment securities	66,262,959	51,069,668	56,241,340
Investment in associates	1,142,810	1,166,844	1,161,063
Intangible assets	545,458	437,167	473,162
Property and equipment	4,907,994	4,939,180	4,952,603
Deferred tax assets	190,429	242,476	193,960
Other assets	2,805,649	2,797,412	2,581,496
Total assets	312,046,557	278,262,578	286,931,518
LIABILITIES AND SHAREHOLDER'S EQUITY			
Deposits from banks	5,692,456	4,928,723	4,712,603
Deposits from customers	256,446,144	230,370,405	238,311,493
Derivative financial instruments	124,333	207,990	122,353
Other borrowed funds	7,457,909	5,177,102	4,865,908
Subordinated liabilities	1,059,486	1,057,257	1,082,289
Current tax liabilities	576,071	529,593	578,996
Other liabilities	4,239,601	3,509,017	4,302,453
Total liabilities	275,596,000	245,780,087	253,976,095
Shareholder's Equity			
Stated capital	6,879,602	6,879,602	6,879,602
Retained earnings	23,716,435	20,749,935	20,435,491
Other components of equity	5,854,520	4,852,954	5,640,330
Equity attributable to the ordinary equity holder of the bank	36,450,557	32,482,491	32,955,423
Total equity and liabilities	312,046,557	278,262,578	286,931,518
CONTINGENT LIABILITIES			
Guarantees, letters of credit, endorsements and other obligations on account of customers	32,649,122	32,413,008	30,129,810
Commitments	6,080,514	3,165,129	2,600,154
Tax assessments	854,817	813,502	836,868
Other	1,356,212	1,254,522	1,427,519
	40,940,665	37,646,161	34,994,351



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Statement of profit or loss for the period ended 31st March 2017

	Quarter to 31-Mar-17 Rs'000	Quarter to 31-Mar-16 Rs'000	9 mths to 31-Mar-17 Rs'000	9 mths to 31-Mar-16 Rs'000	Year to 30-Jun-16 Rs'000
Interest income	3,157,301	3,087,024	9,485,880	9,203,842	12,299,102
Interest expense	(964,364)	(1,009,544)	(2,895,222)	(3,066,182)	(4,101,325)
Net interest income	2,192,937	2,077,480	6,590,658	6,137,660	8,197,777
Fee and commission income	879,630	793,180	2,596,205	2,498,460	3,280,209
Fee and commission expense	(189,759)	(183,683)	(534,169)	(493,760)	(628,354)
Net fee and commission income	689,871	609,497	2,062,036	2,004,700	2,651,855
Other income	454,629	337,791	1,395,657	989,057	1,613,466
Operating income	3,337,437	3,024,768	10,048,351	9,131,417	12,463,098
Non-interest expense	(1,243,813)	(1,092,850)	(3,791,887)	(3,521,346)	(4,639,820)
Operating profit before impairment	2,093,624	1,931,918	6,256,464	5,610,071	7,823,278
Net impairment of financial assets	(251,054)	(214,009)	(733,451)	(674,433)	(907,021)
Profit before tax	1,842,570	1,717,909	5,523,013	4,935,638	6,916,257
Income tax expense	(309,810)	(394,993)	(1,029,149)	(1,020,536)	(1,296,094)
Profit for the period attributable to the owner of the bank	1,532,760	1,322,916	4,493,864	3,915,102	5,620,163

Statement of other comprehensive income for the period ended 31st March 2017

Profit for the period	1,532,760	1,322,916	4,493,864	3,915,102	5,620,163
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plan net of deferred tax	-	-	-	-	(173,765)
Items that are or may be reclassified subsequently to profit or loss:					
Reclassification adjustment	2,160	-	(2,953)	(54,627)	(60,243)
Net fair value gain/(loss) on available-for-sale investments	158,873	11,563	276,949	(25,684)	(46,491)
	161,033	11,563	273,996	(80,311)	(106,734)
Other comprehensive income/(expense) for the period	161,033	11,563	273,996	(80,311)	(280,499)
Total comprehensive income for the period	1,693,793	1,334,479	4,767,860	3,834,791	5,339,664
Total comprehensive income attributable to the owner of the bank	1,693,793	1,334,479	4,767,860	3,834,791	5,339,664
Earnings per share (Rs)	2.23	1.92	6.53	5.69	8.17
Weighted average number of shares (thousands)	687,960	687,960	687,960	687,960	687,960



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Statement of changes in equity for the period ended 31st March 2017

At 1st July 2015

Profit for the period	
Other comprehensive expense for the period	
Total comprehensive income/(expense) for the period	
Dividends in cash	
Dividends in specie	
Transactions with owner in his capacity as owner	
Transfer to general banking reserve	

At 31st March 2016

At 1st July 2015

Profit for the year	
Other comprehensive expense for the year	
Total comprehensive income/(expense) for the year	
Dividends in cash	
Dividends in specie	
Transactions with owner in his capacity as owner	
Transfer to statutory reserve	
Transfer to general banking reserve	

At 30th June 2016

Profit for the period	
Other comprehensive income for the period	
Total comprehensive income for the period	
Dividends	
Transactions with owner in his capacity as owner	
Transfer from general banking reserve	

At 31st March 2017

Stated Capital	Retained Earnings	Capital Reserve	Statutory Reserve	General Banking Reserve	Total Equity
Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
6,879,602	18,705,062	882,117	3,130,602	691,497	30,288,880
-	3,915,102	-	-	-	3,915,102
-	-	(80,311)	-	-	(80,311)
-	3,915,102	(80,311)	-	-	3,834,791
-	(1,100,736)	-	-	-	(1,100,736)
-	(540,444)	-	-	-	(540,444)
-	(1,641,180)	-	-	-	(1,641,180)
-	(229,049)	-	-	229,049	-
6,879,602	20,749,935	801,806	3,130,602	920,546	32,482,491
6,879,602	18,705,062	882,117	3,130,602	691,497	30,288,880
-	5,620,163	-	-	-	5,620,163
-	(173,765)	(106,734)	-	-	(280,499)
-	5,446,398	(106,734)	-	-	5,339,664
-	(2,132,676)	-	-	-	(2,132,676)
-	(540,445)	-	-	-	(540,445)
-	2,773,277	(106,734)	-	-	2,666,543
-	(844,000)	-	844,000	-	-
-	(198,848)	-	-	198,848	-
6,879,602	20,435,491	775,383	3,974,602	890,345	32,955,423
-	4,493,864	-	-	-	4,493,864
-	-	273,996	-	-	273,996
-	4,493,864	273,996	-	-	4,767,860
-	(1,272,726)	-	-	-	(1,272,726)
-	(1,272,726)	-	-	-	(1,272,726)
-	59,806	-	-	(59,806)	-
6,879,602	23,716,435	1,049,379	3,974,602	830,539	36,450,557



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Statement of cash flows for the period ended 31st March 2017

	9 mths to 31-Mar-17 Rs'000	9 mths to 31-Mar-16 Rs'000	Year to 30-Jun-16 Rs'000
Operating activities			
Net cash flows from trading activities	1,746,118	3,185,341	5,094,910
Net cash flows from other operating activities	4,934,432	12,462,983	8,732,789
Dividends paid	(2,304,666)	(2,123,965)	(2,123,965)
Income tax paid	(1,028,543)	(959,735)	(1,107,371)
Net cash flows from operating activities	3,347,341	12,564,624	10,596,363
Investing activities			
Net cash flows before financing activities	(562,971)	(254,987)	(586,838)
Financing activities			
Net refund of subordinated loan	-	-	199,354
Net cash flows from financing activities	-	-	199,354
Increase in cash and cash equivalents	2,784,370	12,309,637	10,208,879
Net cash and cash equivalents brought forward	31,969,261	21,760,382	21,760,382
Net cash and cash equivalents carried forward	34,753,631	34,070,019	31,969,261



COMMENTS ON RESULTS TO 31ST MARCH 2017

For the nine months ended 31st March 2017, Operating Income rose by 10.0% to reach Rs 10,048 million, contributing to a growth of 14.8% in Profit after Tax which amounts to Rs 4,494 million.

Net Interest Income rose by 7.4% to reach Rs 6,591 million as we continue to deploy our Rupee and Foreign currency excess liquidity albeit at better yields. This is mainly reflected by an increase of Rs 15,193 million in our Investment securities and Rs 9,590 million in our Placements with banks while, comparatively, our Gross Loans and advances to customers increased by Rs 4,501 million between March 2016 and March 2017.

Our Profit arising from dealing in foreign currencies and Net gain from financial instruments carried out at fair value continued to show a strong increase of 38.9% to reach Rs 1,325 million for the nine months period.

Net fee and commission income was on the rise at Rs 2,062 million despite the drop in trade finance fee income, as we maintained our growth in our wealth management, cards and global business activities as well as additional financing fees.

Non-interest Expense growth was contained at 7.7% to reach Rs 3,792 million, leading to a cost to income ratio below 38.0%, a similar trend as the previous quarters.

Net impairment of financial assets was 8.8% higher to reach Rs 733 million, with our Non-Performing Loans to Gross Loans ratio improving to 5.4% compared to 5.9% over the last two financial years.

The bank remains comfortably capitalised with a Tier 1 ratio of 15.8% and a BIS risk adjusted ratio of 17.0% for the period ended 31st March 2017.

As we continue to realise our pipeline of cross border projects and maintain the momentum created over the last 9 months, the Bank's results for the current financial year are expected to show a respectable growth.

By order of the Board

11th May 2017

The abridged unaudited interim financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30th June 2016 and comply with IAS 34.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies.

Copies of the abridged unaudited interim financial statements can be obtained, free of charge, upon request to the Company Secretary at the registered office of the bank, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: www.mcbgroup.com

The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the bank.

This communiqué is issued pursuant to Securities Act 2005.

The Board of Directors of The Mauritius Commercial Bank Limited accepts full responsibility for the accuracy of the information contained in this communiqué.